

Business Structures



Types of Business Ownership

Sole Proprietorship

Partnership

Corporation

Sole Proprietorship

Small Firms (Restaurants, Hair Salons, Lawn Care, etc...)

Around 70% of Businesses in the U.S.

Owner has complete responsibility of the business.



Partnership



Owned by a small group of people

Around 10% of Businesses in the U.S.

Owners share responsibilities in the business

Corporation

Owned by a number of people, each with a share in the business

Around 20% of Businesses in the U.S.



The business operates as a single entity on behalf of its owners.

S and LLC

Corporation

Certificate of
Incorporation

Shareholders
(Stockholders)

Board of Directors

Dividends



Advantages

Sole Proprietorship

- Easy to start
- Owner makes the decisions
- Owner receives all the profits

Partnership

- More Sources of Capital
- Easy to start
- Combines the skills of the owners

Corporation

- The most sources of capital (Selling Stock)
- Owners only liable for their investment

Disadvantages

Sole Proprietorship

- Capital is Limited
- Owner is liable for everything
- Difficult to run, and requires a large personal investment

Partnership

- Owners are liable for business
- More than one individual making decisions
- Partners share in Profits

Corporation

- Difficult to start
- Owners do not have control over the day to day operations
- Business activities can be limited

Forms of Businesses

Limited Liability Company

Cooperatives

Franchises

Non-Profit Corporations

Cooperative

Organized to serve the interests of its members.

Consumer's Cooperative

Organization of consumers that buy goods and services more cheaply than individually.

Producer's Cooperative

Work together to create greater bargaining power for their products. Become more competitive.

Cooperative

Organized like a Corporation

- Shareholders
- Board of Directors

Voting Rights Based Upon

- 1.) Each member has one vote
- 2.) Vote based on the amount of service they have bought from the cooperative

Profits refunded directly to the members of the Cooperative, and some is kept for expansion

Franchise

Sole Proprietorship, Partnership, or Corporation.

Granted permission to sell another's goods or services in a specific manner.

Standardized by the Franchisor and pay a % of sales to them.



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Non-Profit

Organized like a Corporation

– Stakeholders not Shareholders

Service Business

Board of Directors

Profit vs. Revenue

Tax Exempt – 501(c)(3)

Required Filings



**American
Red Cross**

Management Functions

Planning



Organizing



Controlling



Leading

Leadership Characteristics

Understanding
Initiative
Dependability
Judgment
Objectivity
Confidence
Trustworthy

Stability
Cooperative
Honesty
Courage
Communication
Intelligence
Inspiring

Levels of Management

- Executives/Upper Level Management

- Ex.) Chief Executive Officer, Chief Financial Officer, Vice President, General Managers, etc.
- Planning and Controlling Activities

- Middle Management

- Ex.) Department Managers, Store Manager, etc..
- Organizing/Staffing, Leading, Controlling Activities

- Supervisors

- Leading and Controlling Activities

Styles of Management

- Tactical – Provides a lot of hands on direction and uses control to complete the work. Little to no collaboration with employees
- Strategic – Collaboration with employees, employees are more skilled, less monitoring is necessary, work to place the right people in the right area.
- Mixed – Utilizing both styles to create the best environment based on the job that is being undertaken.

Human Relations

Relations with or between people,
particularly the treatment of
people in a professional context.

“retrieved from Dictionary.com”

Human Relations

- Self Understanding
 - Know yourself
- Understanding Others – Emotional IQ
 - Get to know their employees
- Communications
 - Internal/External, Vertical/Horizontal, Formal/Informal, Oral/Written
- Team Building
- Developing Job Satisfaction
 - Intrinsic vs. Extrinsic

Intrinsic

Sense of Meaningfulness

- Work has Purpose
- Opportunity to accomplish something of real value
- Gives you a strong sense of purpose or direction.

Sense of Choice.

- Free to choose how to accomplish your work
- Ownership of your work,
- Feel responsible for making it work.

Sense of Competence.

- Your performance meets or exceeds your personal standards, you are doing the best you can.

Sense of Progress.

- Efforts are really accomplishing something.
- Moving in the right direction.
- Accomplishments demonstrate confidence

Extrinsic

- **Salary/Hourly Pay**
- **Bonuses**
- **Benefits – Health, Dental, Retirement**
- **Paid Time Off/Vacation**
- **Recognition – (Employee of the Month)**
- **Gifts**
- **Perks – Gym, Day Care, Discounts, Work at Home, Stipends, and many others**

Job Satisfaction

